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certain fairly important *Volksdeutsche* saving banks operating in Rumania.

In the case of insurance, too, German companies had considerable interests in Rumanian companies even before the war. These interests have been greatly increased, the most important acquisitions being a majority holding in the Dorna Vatra company acquired by Jauch und Hübener in 1941, a similar holding in the "Franco-Romana" taken over from French hands by the Nordstern Versicherungs A.G. in the same year, and a holding taken over from French hands by a Viennese company in the "Nationala" General Insurance Company—also in 1941.

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Though the great increases in budgetary expenditure since 1939 can be attributed indirectly to Germany, the chief instruments of German financial exploitation have taken the form of advances from the Rumanian National Bank for the maintenance of German troops in the country, and for the clearing (i.e. forcing the Rumanian National Bank to make advances to Rumanian exporters whose exports were not balanced by corresponding imports from Germany).

4. Advances for Maintenance of German Troops

It was originally agreed that 1 milliard lei per month should be advanced—against an equivalent RM. credit in Berlin—to the German troops in Rumania. In fact, however, the Germans drew sums in excess of this amount, and continued to do so even after the majority of troops had left the country.

In October 1941, therefore, the National Bank refused to grant any further advances of lei for the use of the German troops. The Germans, however, brought pressure to bear by refusing to honour Rumanian invoices for goods they had received, and by borrowing from the banks through the medium of the firms which they controlled. The situation appears to have remained unchanged until January 1942, when it seems that a new agreement was reached, the National Bank once again undertaking to advance a fixed monthly sum, and in addition to make up arrears in payment. It is reported that towards the end of 1942 the National Bank had advanced some 40 milliard lei on this account.

5. The German-Rumanian Clearing

In addition to this German debt there is a further one of probably at least equal magnitude which has accrued in the clearing.

Precise figures of the actual German clearing debt to Rumania are not available and estimates vary very greatly. The amount of the debt at the end of 1942 has been variously reported at anything between 30 milliard and 100 milliard lei.

It is, therefore, reasonable to assume a minimum clearing debt at the end of 1942 of 30 milliard lei, and a minimum total debt (clearing and advances to the National Bank to the German military authorities) of 70 milliard lei—or approximately £117,000,000.

It is, however, quite possible that there is some justification for the German claim to the effect that clearing and similar debts are not wholly indicative of German commercial practices, inasmuch as certain German exports are made against long-term credits which do not enter into the clearing until several years have elapsed. In the case of Rumania, Germany is known to have granted in recent years two credits of RM. 600 million each (36 milliard lei), but it is not known to what extent actual production for the German export market made it possible for Rumanian importers to utilise these facilities.